

GOODS MOVEMENT ACTION PLAN

Innovative Finance and Alternative Funding Work Group

Co-Chairs

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Introduction

Improving the movement of goods in California is among the highest priorities for Governor Schwarzenegger. It is the policy of this Administration to improve and expand California's goods movement industry and infrastructure. The Schwarzenegger Administration has established a Cabinet Work Group to lead the implementation of this policy for goods movement and ports by working collaboratively with the logistics industry, local and regional governments, neighboring communities, business, labor, environmental groups and other interested stakeholders to achieve shared goals.

Beginning in June 2004, the Schwarzenegger Administration began a concerted effort to assemble goods movement stakeholders to learn about the problems, opportunities, and challenges facing the future of goods movement within the State. These efforts led to the formation of the Administration Goods Movement Policy, "Goods Movement in California," in January 2005. The "Goods Movement Action Plan, Phase I, Foundations", was published in September of 2005. Part of a two-phase process, it is an attempt to characterize the "why" and the "what" of the State's involvement in goods movement in the following four segments: (1) the goods movement industry and its growth potential; (2) the four "port-to-border" transportation corridors that constitute the State's goods movement backbone and the associated inventory of infrastructure projects being planned or are underway; (3) the extent of environmental and community impacts—as well as a description of mitigation approaches; and (4) key aspects of public safety and homeland security issues. Substantial effort was focused on developing the inventory of existing and proposed goods movement projects. The listing includes previously identified projects in various Regional Transportation Plans (RTP) and Regional Transportation Improvement Programs (RTIP) prepared by Municipal Planning Organizations (MPOs), Transportation Commissions and Councils of Governments (COGs). In addition, the listings include a wide range of outlined projects underway or under consideration by the ports, railroads, and other third parties. Prior to this compilation, no comprehensive statewide inventory was available.

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The Phase II Action Plan to be completed by December 2005 will develop a statewide implementation plan for goods movement capacity expansion including financing options for goods movement facilities, goods movement-related environmental and community mitigation, and goods movement-related homeland security and public safety enhancement. It will define the “how,” “when,” and “who” required to synchronize and to integrate efforts to achieve relief and improvement as quickly as possible.

The Phase II effort will be executed by work groups comprised of various stakeholders in conjunction with team leaders from BTH and Cal/EPA staffs. Over a four-month period, each of the work groups will be tasked with the responsibilities of developing business plans which will detail the timing, sequencing, and funding of corridor expansion projects. Each corridor working group will also review, evaluate, and recommend corridor-specific operational improvements; environmental and community impact mitigation strategies; and homeland security and public safety enhancements. The working groups will also be responsible for identifying how the costs of improvements and mitigation measures could be funded.

The Innovative Finance and Alternative Funding Work Group will seek stakeholder input on identifying goods movement financing issues for projects with statewide concern. This group is comprised of industry leaders and transportation finance experts from a number of financial institutions throughout the country. Together, this group will assemble a menu of financing tools ranging from the basics to the latest concepts in creative financing. In addition, the work group will identify legislative and regulatory actions required to implement new financing mechanisms along with recommendations for a funding plan, options and approach.

Framing Questions

- What criteria should be applied to determine which financing mechanisms are applicable to various infrastructure, environmental mitigation, or community mitigation projects?
- What is the role of the federal government in financing goods movement?
- What sources of federal support should be pursued to contribute to California goods movement infrastructure or mitigation to reflect the role the State plays in serving the national interest?
- What revenue streams can be created, captured, and pledged for infrastructure projects?
- How can federal and other funding sources be used to advance/accelerate environmental mitigation work?
- What other non-traditional transportation funding mechanisms might be available to advance goods movement projects?
- Under what circumstances are these mechanisms available?

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- What is a reasonable time frame for implementing the state's Goods Movement financing plan?
- Are there successful infrastructure financing methods that California should consider for implementing the state's Goods Movements Action Plan?
- What legislative/regulatory actions are necessary to utilize these alternatives?
- What steps are necessary to ensure that local communities share in the benefits of growth in goods movement?